

ECONOMIC ADJUSTMENT STRATEGY

Regional Action to Support Local Solutions

Phase 3 Update: November 2003

The Inland Northwest Economic Adjustment Strategy (INEAS) is spearheaded by a regional partnership that is dedicated to strengthening the economic vitality of distressed counties in the Inland Northwest. It is a strategic program of actions to support communities as they work to adjust to new economic realities:

- The majority of the 137 counties in the Inland Northwest have low or moderately low economic vitality. Many rural communities are in crisis.
- At least 109 threatened and endangered species exist in the region.
- Federal timber harvests declined by 89% from 1989 to 2001, and private timber harvest declined 20%.
- More sawmills have closed (123) in the region than remain open (96), with 13,000 jobs lost.

Status of the Strategy

The INEAS project began in 1999, and is now in its third phase. The current status is as follows:

- ♦ City, county, tribal and state governments in Idaho, Oregon, Washington and Montana are working together to help distressed resource-dependent communities in the Inland Northwest, a region comprised of 137 counties and 23 tribes.
- ♦ In INEAS Phases 1 and 2 (completed in August 2001), an analysis and map of economic vitality was developed, a regional assessment of economic development plans identified common types of local needs, and a roadmap to economic vitality was created.
- ♦ Over 800 local leaders discussed the strategy in 14 community forums held around the region in 2001.
- ♦ INEAS Phase 3 began in April 2003, funded by an implementation grant from the U.S. Economic Development Administration, with matching investments by each of the four states and the Affiliated Tribes of Northwest Indians (ATNI). Elements of the Phase 3 work plan include:
 - Create a regional Advisory Committee to refine and enhance the strategy
 - Update the economic vitality index for the region (Phase 1 used 1997-98 data)
 - Use working groups to identify specific regional actions with performance measures to direct funds to key programs, initiatives and projects
 - Build a coalition of supportive partners and continue a dialogue with them
 - · Review experiences from other regions with regional commissions and development initiatives
 - Seek funding for implementation of the regional Economic Adjustment Strategy.

We Need Your Involvement!

Our goal is to obtain additional funding for existing/potential programs, initiatives and projects that help revitalize Inland Northwest communities in the areas of business and industry development, infrastructure enhancement, workforce training and education, and community leadership/capacity-building. We need information about such programs/projects, along with Advisory Committee members and stakeholder contacts to help refine and review the Strategy. To get involved, please contact one of the project contacts listed below:

Project Coordination Team:

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Project web site: www.inlandnwregion.org

Project Background

The Inland Northwest was settled under a federal policy that sought to disperse growth to the frontier, and build communities with people who made a living from the land in the production of natural resource commodities like lumber, wheat, cattle, and silver. However, in recent years, national public values have shifted, causing major changes in expectations about public land use and natural resource management.

The cumulative impact of changing federal policies, regulations and trade agreements has been staggering, with severe socio-economic consequences to the Inland Northwest. Local families, businesses, and communities have not been able to adapt quickly enough. The Inland Northwest needs temporary federal assistance to mitigate the unintended consequences of the impacts of federal decisions and to help communities find pathways to adjust to these new national expectations for the region. INEAS focuses on mitigating impacts that have arisen from existing federal policies – it is not a forum for debating those policies.

Project Guiding Principles

The project Steering Committee has defined the following principles to guide the Strategy development: Regional Cooperation. We are stronger as a region than we are as individual communities, tribes or states. Economic development in the Inland Northwest will be most successful as a regional effort between the four states and affiliated tribes.

<u>Economic Perspective</u>. Economies happen on a regional, national, and global basis, based on market forces. Communities that work together are likely to be more competitive in business and economic development. Local Focus. Locally-driven strategies and project priorities, consistent with local values, will be respected and

encouraged.

<u>Community Leadership</u>. Communities can improve their vitality, provided they have sufficient local leadership to adapt and embrace change. Supporting and investing in local capacity is key to the success of the Strategy.

<u>Technical Assistance</u>. Information and technical assistance will help make community efforts more strategic and effective.

<u>Inclusiveness</u>. The more people and perspectives involved in a decision, the greater the public acceptance of that decision, and the more likely it will address all concerns.

<u>Public-Private Partnerships</u>. Most jobs are created in the private sector, and job creation is a long-term process. Communities provide the infrastructure and the ingredients of financial, human, natural, and social capital that help make businesses flourish.

<u>Livability</u>. Community development means more than job creation; it includes actions and policies that add to the vitality, wealth, and livability of the community.

Desired Outcomes

- Business development: diversification, expansion, new business start-up and recruitment.
- Living wage jobs, a skilled workforce and diverse economic base to create new wealth.
- Adequate infrastructure, funded by public and private investment.
- Local capacity and leadership to achieve good planning and restore economic vitality.
- Continued grassroots awareness and support for the INEAS process.
- A Regional Economic Adjustment Strategy and credible organizational capability to support local priority projects and strategic opportunities for regional collaboration, endorsed by local communities, counties, businesses, states, tribes, and Congress.
- Congressional support for the region to receive a federal economic adjustment package.
- Increased national awareness and visibility for a region that has been a major contributor to the overall economic prosperity of the country.

Phase 3 Timeline

The Phase 3 timeline is outlined below. The refined strategy will be completed in early 2004 in order to be included in the FY05 federal budget cycle.

